

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 4360-01
BILL NO.: HB 1904
SUBJECT: Attorney General; Crimes and Punishment
TYPE: Original
DATE: February 28, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Highway Fund	Unknown	Unknown	Unknown
Total Estimated Net Effect on <u>All</u> State Funds	Unknown	Unknown	Unknown

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government			

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Prosecution Services, State Public Defender, and Office of the State Treasurer** assume the proposed legislation would have no fiscal impact on their agencies.

Officials from the **Office of the Attorney General** assume any costs related to the proposed legislation could be absorbed by their agency.

Officials from the **Office of the State Courts Administrator (CTS)** assume the proposed legislation would simplify the process and make it easier to seek recovery for false claims. As a result, there may be an increase in the number of cases; however, CTS would not expect the volume to be significant. Any increase in costs should not be significant to the budget of the judiciary.

Officials from the **Department of Transportation (DHT)** assume such an action would be brought as a result of a claim made against the Missouri Highway Transportation Commission or one actually paid, it could be one of the following: contractor claims, claims arising from purchase of materials or services by General Services, claims arising from condemnation as to the value of property, claims for personal injury in a general liability/fleet vehicle liability case. If the claim is one by a contractor on a construction project that is federally funded and some of that payment is later recovered, then DHT could be obligated to repay to the Federal Highway Administration a portion of the recovery equal to the federal share percentage for construction of the project. Overall, DHT cannot estimate the number or amount of claims. Therefore, the fiscal impact on DHT cannot be determined.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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HIGHWAY FUND

<u>Income</u> - Settlement of claims	Unknown	Unknown	Unknown
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<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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	\$0	\$0	\$0
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

The proposed legislation creates a cause of action for defrauding the state of Missouri. Any person who knowingly presents a false claim, bill, or receipt to the state, or knowingly makes or uses a false record to conceal, avoid, or decrease an obligation to the state will be liable to the state for a civil fine of up to \$10,000, plus 3 times the actual damages incurred by the state. The Office of the Attorney General will investigate such claims. However, an individual may bring suit in the name of the state. The Attorney General has 180 days to join the suit. If the Attorney General joins the suit, the action will be pursued solely by the Attorney General, with notice provided to the individual. The court may award the individual a reasonable amount for disclosing evidence the state did not have when the action was brought, up to 25% of the proceeds collected by the state. If the Attorney General does not join the suit and the individual plaintiff prevails, the individual may be awarded between 25% and 35% of the civil fines and damages assessed to the defendant, as well as the individual's attorney fees and court costs. The state will not be bound by any act of the individual nor be liable for the individual's attorney fees or court costs.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Attorney General
Office of the State Courts Administrator
Office of Prosecution Services
State Public Defender
Office of the State Treasurer
Department of Transportation



Jeanne Jarrett, CPA
Director
February 28, 2000